

Message Text

CONFIDENTIAL

PAGE 01 LUSAKA 02285 221501Z

41

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 SSO-00 NSCE-00 INRE-00 USIE-00

CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03 NSAE-00 NSC-05

PA-01 PRS-01 SP-02 SS-15 AID-05 EB-07 CIEP-01 TRSE-00

STR-04 OMB-01 CEA-01 INT-05 COME-00 IO-10 AGR-05

DOT E-00 /098 W

----- 126423

O R 221401Z NOV 75 ZFF-4

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC NIACT IMMEDIATE 2415

AMEMBASSY KINSHASA NIACT IMMEDIATE

INFO AMEMBASSY BLANTYRE

AMEMBASSY DAR ES SALAAM

AMEMBASSY GABORONE

AMEMBASSY LOURENCO MARQUES

AMEMBASSY LONDON

AMEMBASSY MBABANE

AMEMBASSY NAIROBI

AMEMBASSY PRETORIA

CINCLANT FOR POLAD

USCINCEUR

C O N F I D E N T I A L LUSAKA 2285

KINSHASA FOR ACTING ASST. SECTY MULCAHY

EO 11652: GDS

TAGS: ETRD, EAID, ELTN, MZ, SF, RH, ZA

SUBJECT: ZAMBIAN COPPER DELIVERIES

REF: LOURENCO MARQUES 1020

1. WE HAVE NO AUTHORITATIVE CONFIRMATION THAT ZAMBIAN COPPER
EITHER BEING OR ABOUT TO BE EXPORTED VIA RHODESIA. COPPER
COMPANIES AS WELL AS ZAMBIAN GOVERNMENT OFFICIALS REFUSE TO
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LUSAKA 02285 221501Z

BE DRAWN OUT ON THIS SUBJECT ABOUT WHICH THERE CONTINUES TO BE

MUCH SECRECY. HOWEVER, WE FIND REPORT REFTEL ECONOMICALLY PLAUSIBLE ALTHOUGH NOT YET POLITICALLY FEASIBLE FOR SEVERAL REASONS:

(A) SHEER ECONOMIC NECESSITY. MINING COMPANIES NOW FIND THEMSELVES IN PAINFUL CASH SQUEEZE. PRODUCTION COSTS ARE WELL IN EXCESS OF SALES REVENUE AND PRESSURES BOTH TO REDUCE COSTS AND MOVE MORE COPPER TO MARKET ARE MOUNTING. ESTIMATED 25-30 THOUSAND TONS OF COPPER COULD NOT BE SHIPPED IN OCTOBER BECAUSE OF TRANSPORT DIFFICULTIES. WITH COMPANIES ESTIMATING THEIR EXTERNAL FINANCING REQUIREMENTS THROUGH END OF 1976 IN RANGE OF \$500 MILLION, EVEN AFTER MAKING FAVORABLE ASSUMPTIONS FOR ABILITY TO MOVE COPPER, ECONOMIC LOGIC STRONGLY ON SIDE OF REOPENING RHODESIAN ROUTE.

(B) NEED FOR ADDITIONAL TRANSPORT ROUTES. POWER, TRANSPORT, AND WORKS MINISTER MULENGA TOLD PRESS NOV. 18 THAT 60,700 TONS OF FERTILIZER URGENTLY NEEDED FOR CURRENT CROP PLANTING SEASON WERE LYING UNCOVERED IN DAR ES SALAAM AND AN ADDITIONAL 68,000 TONS OF GENERAL CARGO AWAITING SHIPMENT TO ZAMBIA FROM THAT PORT. ROAD TRANSPORT FACILITIES UNABLE TO COPE WITH BACKLOG AT BEIRA WHERE 45,000 TONS OF CARGO ARE BACKLOGGED. BENGUELA RAILWAY TO LOBITO STILL CLOSED AND CONTINUED FIGHTING IN ANGOLA MAKES SECURITY THIS ROUTE AN IFFY PROSPECT. TANZAM RAILWAY IS NOW OPEN BUT TRACKBED REPORTEDLY UNABLE TAKE HEAVY LOANS AND MAXIMUM USE OF THIS ROUTE STILL MANY MONTHS IN FUTURE.

(C) GROWING BELIEF HERE THAT ZAMBIA BEARING DISPROPORTIONATE SHARE OF ECONOMIC SACRIFICES. THIS BELIEF VOICED PUBLICLY ON NOV. 18 BY LIVINGSTONE MP AND FORMER FINANCE MINISTER ARTHUR WINA WHO POINTED OUT THAT ZAMBIA HAD PAID HIGH ECONOMIC PRICE FOR ITS STAND ON RHODESIA AND AND COUNTRY SHOULD NOW REVIEW ITS POLICY TOWARD USE OF "ECONMIC AND EFFICIENT ROUTE" THROUGH RHODESIA. WE HAVE BEEN UNABLE THUS FAR TO EXPLORE WHETHER WINA'S STATEMENT MERELY EXPRESSION OF PAROCHIAL INTEREST OR CONSTITUTES POSSIBLE TRIAL BALLOON ON BEHALF OTHER ELEMENTS WITHIN GRZ. (WINA'S BROTHER, SIKOTA, IS SENIOR MEMBER OF PARTY CENTRAL COMMITTEE.) THIS ZAMBIAN SENSE OF GRIEVANCE UNDOUBTEDLY REINFORMCED BY FAILURE DURING RECENT ARUSHA CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LUSAKA 02285 221501Z

MEETING WITH EAST AFRICAN HARBORS CORPORATION TO WIN REDUCTION IN PORT SURCHARGES AT DAR.

(D) RAIL LINK ALREADY IN LIMITED USE BETWEEN RHODESIA AND ZAIRE. BUSINESS CONTACTS HAVE INCREASINGLY SUGGESTED TO US THAT BORDERDAS BECOME MORE POROUS TO ZAMBIAN-BOUND CARGO AS WELL IN RECENT MONTHS, ESPECIALLY COAL FROM RHODESIA'S WANKIE COLLIERY. LOGIC OF ALLOWING ESSENTIAL IMPORTS THROUGH BORDER

WHILE PROHIBITING EQUALLY ESSENTIAL EXPORTS BECOMING MORE DIFFICULT TO DEFEND. FURTHER CLUES IN THIS REGARD INCLUDE RECENT STATEMENT TO US BY OPERATIONS MANAGER OF GRZ PARASTATAL THAT HE INSTRUCTED TO REDUCE FROM 18 TO 12 ORDER FOR TANKER TRUCKS TO BE USED TRANSPORT LUBRICANTS FROM SOUTH AFRICA BECAUSE COMPANY WILL SOON BE USING MORE EFFICIENT DIRECT ROUTE THROUGH RHODESIA. ALSO, ZAIRE-BASED FLUOR UTAH REP TOLD US GRZ CONSIDERING ZAIRE GOVT REQUEST TO PERMIT USE OF CHIRUNDU BRIDGE BETWEEN ZAMBIA AND RHODESIA TO TRANSPORT EQUIPMENT UNSUITED FOR RAIL TRANSPORT TO ZAIRE. HE SPECULATES THIS REQUEST LIKELY COME UP IN MOBUTU-KAUNDA TALKS THIS WEEKEND.

2. WHILE ECONOMIC PRESSURES WOULD APPEAR BE OVERWHELMINGLY IN FAVOR OF EARLY REOPENING OF RHODESIAN ROUTE, IF ONLY SECRETLY, TO ZAMBIAN COPPER EXPORTS, EXPERIENCE HAS SHOWN THAT PRESIDENT KAUNDA WILLING TO SACRIFICE ZAMBIAN ECONOMIC INTERESTS IN ORDER TO PRESERVE IMPORTANT POLITICAL PRINCIPLES. AT VERY LEAST, PRESIDENT MAY INSIST THAT DECISION TO USE RHODESIAN ROUTE BE DEFERRED UNTIL RESULTS OF NKOMO-SMITH PRELIMINARY TALKS KNOWN AND LIKELIHOOD THAT CONSTITUTIONAL TALKS CAN COMMENCE WITH FAIR CHANCE FOR SUCCESS ASSESSED. NKOMO HAS PUBLICLY SPECULATED THAT THIS MAY BE KNOWN BY END OF NOVEMBER AFTER HIS NEXT MEETING WITH SMITH. KAUNDA THEREFORE LIKELY WITHHOLD ANY ACTION ON AUTHORIZING USE OF RHODESIAN ROUTE UNTIL THEN AS COMMENCEMENT OF CONSTITUTIONAL TALKS WOULD EASE POLITICAL RISK HE SEES IN REVERSING 1973 ZAMBIAN DECISION TO KEEP RHODESIAN BORDER CLOSED AND FOR WHICH ZAMBIA SUCCESSFULLY APPEALED FOR INTERNATIONAL, INCLUDING US, FINANCIAL AID THROUGH UN.
WILKOWSKI

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, TRANSPORTATION, RAILROADS, MINING INDUSTRY, INTELLIGENCE ASSESSMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 NOV 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975LUSAKA02285
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750407-1064
From: LUSAKA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751119/aaaaaqfs.tel
Line Count: 145
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 LOURENCO MARQUES 1020
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUL 2003 by ShawDG>; APPROVED <18 NOV 2003 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ZAMBIAN COPPER DELIVERIES
TAGS: ETRD, EAID, ELTN, MZ, SF, RH, ZA
To: STATE KINSHASA
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006